CLEVELAND PUBLIC LIBRARY
BUSINESS INFORMATION BUREAU
CORPORATION FILE

Annual Report

To The Shareholders

1947

CENTRAL NATIONAL BANK
of Cleveland

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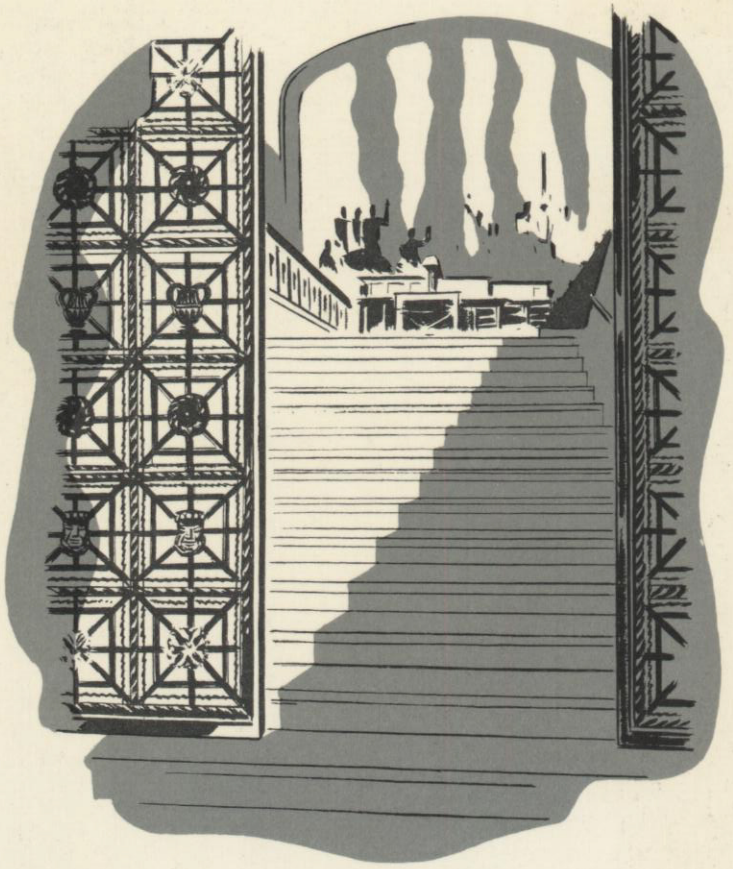


. . . at the headquarters office

For two decades, the metropolitan building pictured on the cover of this report has served as the main banking office of Central National Bank of Cleveland. By this time next year, however, these quarters will have been vacated, according to current plans. Men, women and children have passed through this, and all other doorways of our several offices, knowing and feeling accomplishment and success.

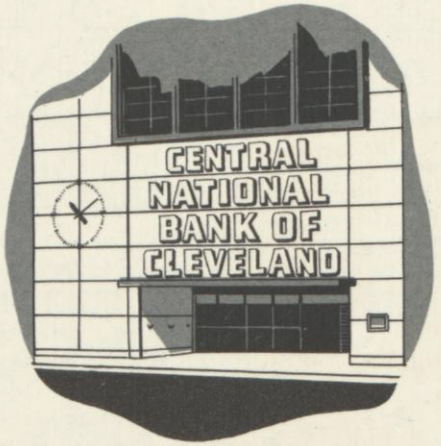
To thousands of individuals, the doorway of the 308 Euclid Avenue Building has served as a passageway to the establishment of credit, the development of habits of thrift, and other numerous undertakings made possible by the bank's commercial, savings and trust departments.

Similarly, the doorways of the various Central National Bank offices located throughout Greater Cleveland are threshholds to financial security and the benefits experienced banking brings to the home, commerce and industry.

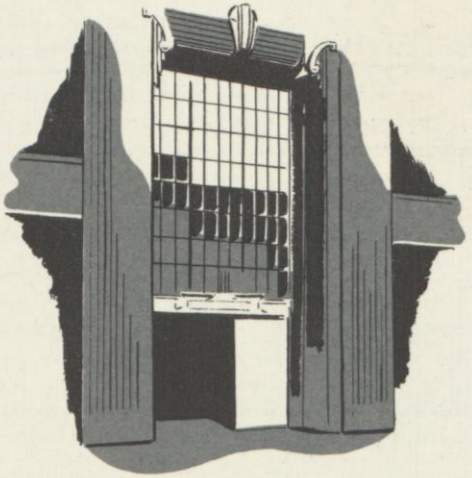
Because doors and doorways are symbolic of so many human activities and relationships, we have decorated this brochure, which conveys the president's annual report to shareholders, with sketches of doorways located in the neighborhoods served by our branch offices.

Copyright, 1948, Central National Bank of Cleveland, Cleveland 1, Ohio

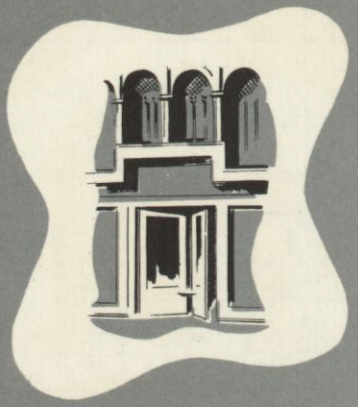
Constant growth of Central National has created crowded conditions at our present headquarters office, 308 Euclid Avenue, that will be eliminated by the opening of these two new downtown offices.

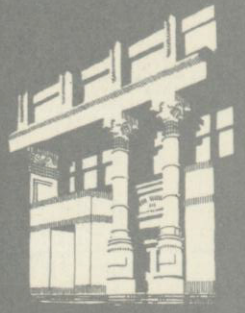


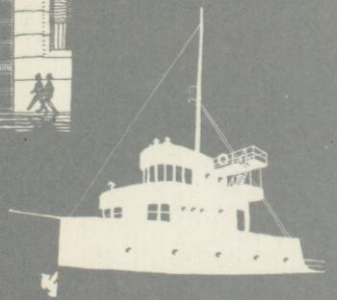
NEW EUCLID AVENUE OFFICE
509 EUCLID AVENUE



NEW MAIN OFFICE
MIDLAND BUILDING







ROCKEFELLER Office, headquarters of the bank from 1905 to 1926, has continued as a branch important in relation to the heavy industries of Greater Cleveland... shipping, iron ore and coal...and to the wholesale district nearby.

THE ANNUAL REPORT TO SHAREHOLDERS

To Shareholders of

Central National Bank of Cleveland

The occasion of this, the Fifty-eighth, annual meeting of shareholders, finds a good many of us reviewing the history of the year just past with some astonishment. Despite the upset condition of the world at large, we, in this part of it at least, have not fared so badly. According to reports on business and finance, the results of the year's work did not bear out the many pessimistic forecasts. Things turned out really much better than we had been given reason to expect. A great deal of turmoil and tangle still challenges us for solutions; failure to produce peace is our greatest disappointment. Yet, as formidable as all our problems appear to be at home and abroad, we do take courage from stalwart leaders who believe these problems are not insurmountable.

Here and throughout the United States results of bank operations generally were gratifying, even considering the pronounced rise in the cost of conducting business.

We experienced some achievements as a result of long-range planning, as for example in making our retirement and pension plan effective; and in strengthening our capital structure through acceleration of preferred stock retirement and the issuance of a modest number of shares of additional common stock. Also, in the wider scene, the bank took the 43rd place in the rank of all U. S. banks according to deposit levels. Indeed, in successive stages during the year your bank reached new peaks in deposit totals and in total loans.

These, and other aspects of our stewardship, are reported statistically further along in this message. Not subject to the exactness of figures, however, are other factors which are vital in our continued growth. One of these relates to housing, and partial realization of plans heretofore reported to you. As you know, at midyear we launched construction work for our Euclid Avenue Office at 509 Euclid. Work here is progressing nicely. In another year we should be addressing you from our new headquarters office, which you will recall is to be lodged in the banking quarters of the Midland building.

During 1947 we opened our new Shore Center Office in the adjoining city of Euclid, in one of the teeming market places of Greater Cleveland, on Lake Shore Boulevard. This undertaking already has amply justified the investment. Also, we moved our Lorain Street Office to West 117th St. to become the Lorain-West 117th St. Office, and here, too, we are gratified with the results. Both of these offices are housed in leased premises.

REPORT ON OPERATIONS

The working funds of the bank, evidenced mainly by deposits carried with us, increased $22 million during the year to a new high of $367 million in total deposits compared with $345 million at the end of 1946. Concurrently, U. S. Government deposits, which are included in that item, were $7 million lower, being reduced from $10 million to $3 million. Other demand deposits increased $19 million during 1947, compared to an increase of $16 million in 1946. Time deposits increased $10 million compared to an increase of $12 million in 1946. Total funds, as reflected by total assets of $394 million show a new high in the bank's history, save for the war loan days.

Loans, for the first time since 1944, again became the principal source of our operating income, accounting for 46.84% of our 1947 income, compared with 38.71% in 1946. Interest on securities brought 33.15% of our 1947 income, making a total of 79.99% of our income from these two sources. Other income came from the trust department, building tenants and various service charges. The average rate of income on our loans during the year was 3.16% compared with 2.91% during 1946.

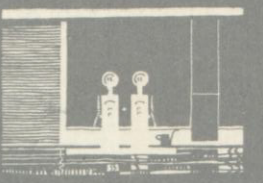
Our total investment in U. S. Government securities increased $5 million during 1947 to a total of $171 million. The totals at the end of each year do not accurately reflect the average holdings during these two years. The average investment in U. S. Government securities in 1946 was $205 million, whereas in 1947 it was $159 million. This accounts for the decline of $390,000 in income from U. S. Government securities. Our U. S. Government securities portfolio earned 1.54%, compared with 1.39% in 1946.

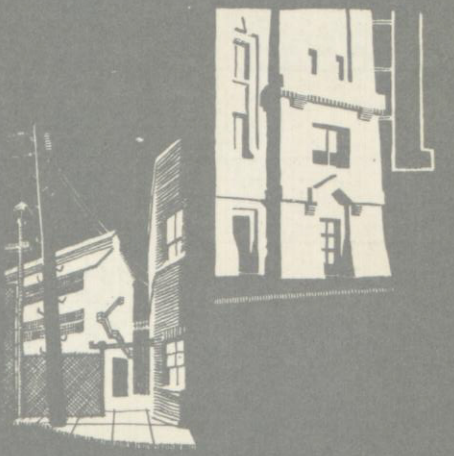
In keeping with economic conditions there was a general increase in expenses during the year, which amounted to $485,000, the larger items being: $100,000 interest paid on our greater deposits, and $268,000 in salaries and credits to the new retirement plan.

EARNINGS

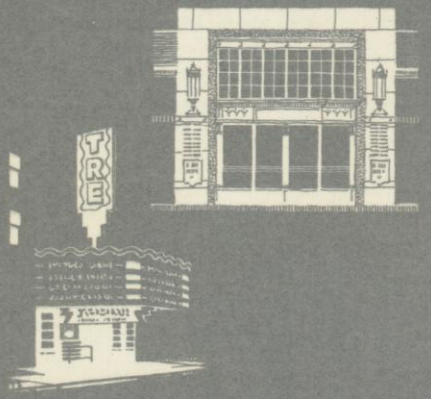
Considering conditions which exist in banks generally, including rising prices of all kinds, resulting in mounting operating expense, earnings for 1947, nevertheless, were satisfactory.

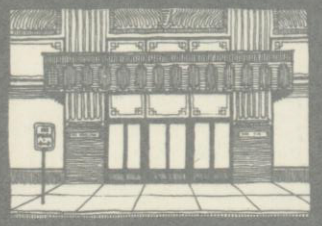
Net operating earnings for the year, after provision for Federal Income tax and dividends on Preferred Stock, amounted to $1,165,458 compared with $1,023,020 for 1946. This increase of 13.9% is due primarily to an increase in loanable funds and slightly rising interest rates. Provision for Federal Income taxes amounted to $383,000 in 1947, compared with $375,000 for 1946.





UNITED Office is located strategically today, as it was when it first was opened in 1866, at Lorain and West 25th Street. Important to the West 25th St. Market and neighboring community, the Lorain-Carnegie bridge brings this office just a few minutes from Public Square.





PLAYHOUSE SQUARE Office . . . this downtown office is logically located for the concentrated retail, theatre and office building district around 14th and Euclid. Facilities for customers include Central National's Time Credit Department which is located in this building.

Net non-recurring earnings, which amounted to $137,011, were materially less than for 1946 when they amounted to $802,337. In that year, net profit was realized on securities sold in the amount of $675,143. Similar profit during 1947 was only $10,541. Recoveries during 1947 amounted to $143,470, compared with $297,193 in 1946. Further recoveries can be anticipated only in reducing amounts.

Operating earnings per share of the common stock, including the 50,000 new shares issued in November, were $3.88; while non-recurring earnings were 46 cents per share; making a total of $4.34. This compares with operating earnings for the year 1946, on the 250,000 shares then outstanding, of $4.09 per share; while non-recurring earnings amounted to $3.21 per share; making a total of $7.30.

We have been following the conservative practice of crediting net non-recurring earnings to reserves. Net non-recurring earnings include profits on securities sold as well as all recoveries, less Federal Income taxes thereon. Transfers to reserves during the year from net operating earnings amounted to $82,621, and from non-recurring earnings $137,011 making a total of $219,633.

In the valuation of our loans we continue to write them down where, in the light of current or changed conditions, it appears prudent to do so, and a considerable portion of these charges should be recovered. All amounts considered to be losses or doubtful have been written off.

Following our usual practice, purchases of furniture and equipment were charged to special reserves created by charges to operating expenses. All costs of establishing the new Shore Center Office and moving the Lorain Street Office were also charged to these reserves. Additional funds were added to these reserves to provide partially for expenses in connection with the relocation of the Main Office, and the establishment of the new Euclid Avenue Office. Charges to expense during 1947 for additions to these reserves amounted to $201,000.

During 1947 we adopted the policy of stepping up depreciation on our banking premises, and, accordingly, at the end of the year reserves were charged $154,000 in addition to normal depreciation of $61,023, which was charged to operating expenses. Expense incidental to the recapitalization plan amounted to $55,942, and this amount was also charged to reserves.

INVESTMENTS

The drastic year-end decline in the Government bond market is a matter of record. The abnormally narrow market for partially tax-exempt federal issues, held in substantial amounts by this bank, makes it impossible to appraise accurately the resultant erosion of quoted values of the U. S. bond portfolio. (Official support has been forthcoming for the fully taxable issues.)

Accordingly, an estimate of the value of partially tax-exempt issues owned has been made by projecting prices based on the relationship existing in normal markets between the yields—i.e. prices, on fully taxable and partially tax-exempt bonds. On this basis, the Government bond portfolio is estimated to have a value in excess of cost, amortized to the first call date.

It should be noted particularly that out of a total of about $174,000,000 in securities held, only $3,000,000 are issues other than U. S. Government obligations, of which amount $625,000 are Federal Land Bank bonds, and $553,000 stock of the Federal Reserve Bank of Cleveland.

Average maturity of U. S. Government Bonds to option date is approximately 6.1 years; to final maturity about 8.7 years. The average yield of 1.54% is stated without consideration of tax benefits accruing from substantial holdings of partially tax-exempt issues. The portfolio in detail follows:

U. S. Government Securities (to maturity):

under 1 year	19.04%	$ 33,101,582.49
over 1, under 5 years	9.26%	16,094,433.14
over 5, under 10 years	36.07%	62,708,744.45
over 10 years	34.23%	59,504,342.51
Total U. S. Government Securities	98.60%	$171,409,102.59
Municipal Securities	.02%	40,000.00
Corporate Securities	1.38%	2,396,130.27
Total Other Securities	1.40%	$ 2,436,130.27
Total	100.00%	$173,845,232.86
Federal Reserve Bank Stock		553,500.00
Total Securities		$174,398,732.86

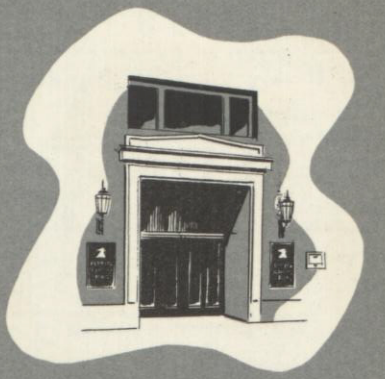
LOANS

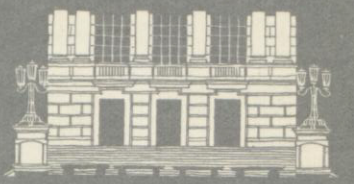
During the year new loans in excess of $157 million were made to customers of the bank, resulting (after payments of $144 million) in a final year-end increase over December 31, 1946, of $13 million. Loans are classified as follows:

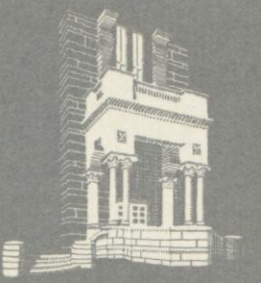
Collateral Loans	$ 43,960,726.78
Unsecured Loans	41,162,957.33
Mortgage Loans	34,169,652.26
Acceptances	3,078,008.96
TOTAL	$122,371,345.33

The $13 million increase in total loans is attributed to the increasing number of customers served by the bank, a continuation of peak business activity, building of new homes, gradual release of consumer goods, as well as an over-all higher price level now existing. This stepping up of loans, which has brought additional revenue in substantial amounts, is due in no small measure to an alert staff aware of the importance of bringing to the bank sound loan applications.

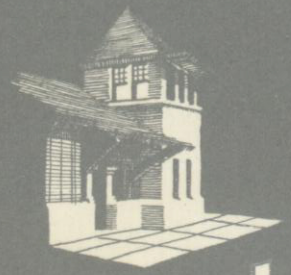
A portion of the bank's total savings deposits is appropriately invested in real estate loans, and these loans were increased $6 million during the year, bringing the total at the year end







DOAN Office, with its well-integrated facilities, primarily serves the thickly populated business, professional and cultural center we know as University Circle. It is a teeming crossroad of transportation on the East Side.



OUL Office continues to justify the meaning of the old country word (Oul for Beehive). Textiles, oil refining, steel fabricating and diversified manufacturing support the thrifty community which this branch accommodates with complete banking services.

to $34 million. Loans to veterans, under the GI Bill, have played a prominent part in our real estate mortgage lending. Our mortgage portfolio is represented by 6,730 mortgages averaging $5,077 per mortgage. FHA loans and loans made under the GI Bill totaled, at the year end $19 million and conventional mortgages totaled $15 million. Additional funds are available for real estate mortgage loans and we are always prepared to add to the existing total on the proper basis. As residential building expands, we expect to experience an increased demand for mortgage funds.

Our Time Credit Department, continuing quite active in making small loans and financing consumer goods on a partial payment plan, has experienced satisfactory growth during the year. As consumer goods become available in larger quantities, further expansion, always on conservative terms, is anticipated.

CAPITAL ACCOUNTS

The recapitalization plan made effective in November, 1947, increased the common stock $1 million and the surplus $250,000. Surplus also was increased $850,000 by transfer from Undivided Profits and Preferred Stock Retirement Fund, making the total increase in the Surplus Account $1,100,000 during the year. With the completion of the Plan, the preferred stock now totals $7 million consisting of 280,000 shares at the par and retirable value of $25 a share.

To summarize changes in capital funds, an increase in common shares provided $1,250,000 of additional funds, and net earnings, after amounts written off and preferred and common stock dividends, provided an additional amount of $702,761 or a total of $1,952,761. Preferred stock in the amount of $1,400,000 was retired, leaving a net increase in Total Capital Accounts of $552,761.

In addition to the increase of $1,250,000 in common stock through the Recapitalization Plan, the equity of common shareholders increased $702,761 during the year:

Total Net Earnings		$1,302,470
Less:		
Dividends on Common Stock	$250,000	
Amounts Written Off	139,767	
Additional Depreciation on Banking Premises	154,000	
Extraordinary Expense Incidental to Recapitalization Plan	55,942	599,709
Increase		$ 702,761

THE BANK ORGANIZATION

It is with profound regret that we record the death of two members of our Board of Directors, also the resignation of two others. On October 23rd Mr. William B. Stewart, a leading member of the Bar and a director of this bank for ten years, died of a heart attack while attending a meeting of the Board. The following day, after a lingering illness, death also took Director Melvin Clark Harvey, who had served this bank more than twenty-five years. Later in the year, we accepted the resignations from Board membership of Robert W. Purcell, Vice President of The Chesapeake & Ohio Railroad Co., who asked to be relieved of duty because of pressure of business matters out of the city which prevented regular attendance at meetings; and of Waitman

C. Given, a vice president of the bank as well, who accepted the presidency of the First Huntington National Bank, Huntington, West Virginia. These gentlemen, whose counsel always was of inestimable assistance to us, are sorely missed.

We are pleased to report to you that three new directors were added to our Board membership. They are George E. Creadon, Treasurer and General Manager of The Standard Brewing Co.; Lester M. Sears, President, The Towmotor Co. and Leward C. Wykoff, a partner in the law firm of McKeehan, Merrick Arter & Stewart and George William Cottrell.

We have mentioned on previous occasions, the important value we attach to sound and cordial personnel relationships in our staff, and our continuing desire to develop them within all reasonable means. It was therefore particularly gratifying to have such prompt and favorable stockholders' response a year ago to management's recommendation that Central National Bank adopt an Employees' Retirement Plan. Pursuant to the Plan, twenty-seven members of our staff have taken on inactive status during the year, with moderate provision toward their comfort being assumed by this bank which they served so faithfully. This is their due, well earned, and our further duty to younger members of our organization who are ready for added responsibilities. And thus, likewise, do we definitely promote the bank's best interests.

★ ★ ★

Last fall a special meeting of shareholders was called to act on certain recommendations made by your Directors, including the principal proposal that 50,000 additional shares of common stock be sold, to be offered first to stockholders, the remainder distributed by a group of investment dealers. Differences of opinion as to the merits of the program developed, but the tabulation of the vote produced a large majority favorable to the recommendations and the Plan was adopted in its entirety.

We again express our appreciation for this vote of confidence, and we repeat with emphasis our strong conviction that both short and long term benefits will prove fully to justify the stockholders' affirmative action.

★ ★ ★

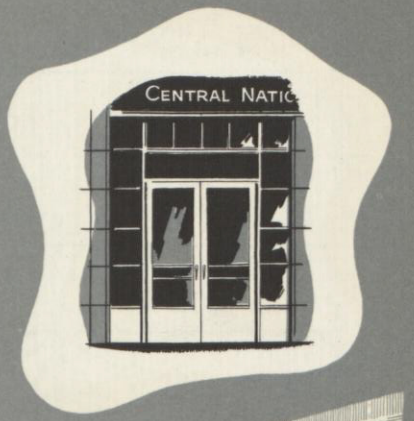
Thus closes a year of hard work, with problems common to all business, yet with reasonably satisfying results. In phrases old but none the less sincere, we once more say thank you to the bank staff for its magnificent cooperation and support, and to all others who have contributed to the bank's progress. Nineteen hundred and forty-eight will find our entire organization extending itself to continue worthy of the confidence our stockholders and customers and other friends so long have shown in us.

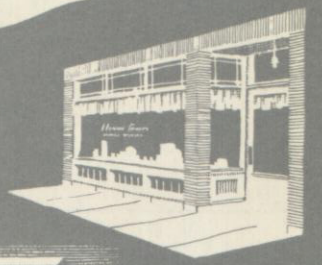
Respectfully submitted,

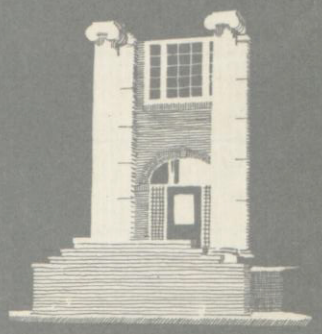
JOHN C. McHANNAN
Chairman

LORING L. GELBACH
President

Cleveland, Ohio
January 13, 1948







LORAIN-WEST 117TH Office is well located at the Cleveland-Lakewood boundary, on the route to the airport. Serving this busy cross-town corner, it is convenient to the important paint, metal-working, and specialized industries in the area.

BUCKEYE Office, on the southeast edge of Cleveland, near Shaker Heights, provides complete banking accommodation for the businessmen of this active shopping area and the substantial residential and industrial district surrounding it.

CONDENSED STATEMENT OF CONDITION

ASSETS

	December 31, 1947	December 31, 1946
Cash in Vault and Due from Banks	$ 89,447,792.92	$ 84,730,007.39
U. S. Government Obligations	171,409,102.59	166,401,369.17
Other Bonds and Securities, Including Stock of Federal Reserve Bank	2,989,630.27	3,047,231.82
Loans and Discounts	122,371,345.33	109,144,883.64
Customers' Liability under Acceptances and Letters of Credit Outstanding (Net)	5,055,607.71	6,271,640.30
Banking Premises	2,284,237.05	2,376,271.75
Accrued Interest and Other Assets	852,233.74	668,324.96
	$394,409,949.61	$372,639,729.03

LIABILITIES

Deposits:				
Demand	$245,812,359.67		$233,738,776.34	
Time	121,605,248.61	$367,417,608.28	111,236,901.05	$344,975,677.39
Acceptances and Letters of Credit Outstanding (Net)		5,055,607.71		6,271,640.30
Accrued Expenses, Taxes, Preferred Dividend, etc.		1,408,629.09		1,417,067.61
Preferred Capital:				
Preferred Stock—280,000 Shares, Par Value $25 (Note A)	$ 7,000,000.00		$ 5,600,000.00	
Reserve for Excess Retirable Value—$8 per Share	—		2,800,000.00	
Total Preferred Capital	$ 7,000,000.00		$ 8,400,000.00	
Common Capital:				
Common Stock—300,000 Shares Par Value $20 (Note B)	6,000,000.00		5,000,000.00	
Surplus	5,500,000.00		4,400,000.00	
Undivided Profits and Preferred Stock Retirement Fund	821,366.54		838,530.11	
Total	$ 12,321,366.54		$ 10,238,530.11	
Reserves	1,206,737.99		1,336,813.62	
Total Common Capital	$ 13,528,104.53		$ 11,575,343.73	
Total Capital Accounts		20,528,104.53		19,975,343.73
		$394,409,949.61		$372,639,729.03

United States Government obligations and other assets were pledged to secure trust deposits and public funds and for other purposes as required by law: at December 31, 1947—$38,957,547.71; at December 31, 1946—$39,131,261.66.

Note A—At December 31, 1946, 350,000 Shares of Preferred Stock outstanding, par value $16 per share.

Note B—At December 31, 1946, 250,000 Shares of Common Stock outstanding, par value $20 per share.

Member Federal Deposit Insurance Corporation

CAPITAL ACCOUNTS

STATEMENT OF SURPLUS ACCOUNT

Balance Forward—January 1, 1947		$ 4,400,000.00
Additions:		
Transferred from Undivided Profits and Preferred Stock Retirement Fund		850,000.00
Sale of 50,000 Shares of Common Stock at $5 per Share above Par Value		250,000.00
Balance—December 31, 1947		$ 5,500,000.00

STATEMENT OF UNDIVIDED PROFITS ACCOUNT AND PREFERRED STOCK RETIREMENT FUND

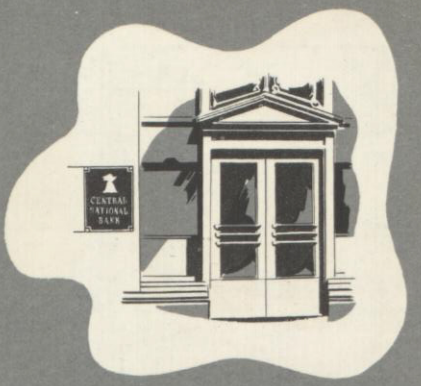
Balance Forward—January 1, 1947		$ 838,530.11
Additions:		
From Net Operating Earnings		1,082,836.43
Total		$ 1,921,366.54
Deductions:		
Transferred to Surplus	$ 850,000.00	
Dividends Paid on Common Stock	250,000.00	1,100,000.00
Balance—December 31, 1947		$ 821,366.54

STATEMENT OF RESERVES ACCOUNT

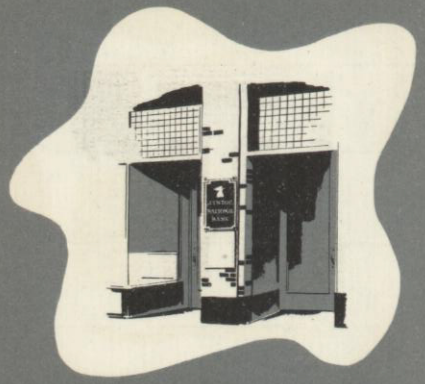
Balance Forward—January 1, 1947		$ 1,336,813.62
Additions:		
From Net Operating Earnings	$ 82,621.98	
Net Non-recurring Earnings	137,011.89	219,633.87
Total		$ 1,556,447.49
Deductions:		
Amounts Written Off	$ 139,767.01	
Additional Depreciation on Banking Premises	154,000.00	
Extraordinary Expense Incidental to Recapitalization Plan	55,942.49	349,709.50
Balance—December 31, 1947		$ 1,206,737.99

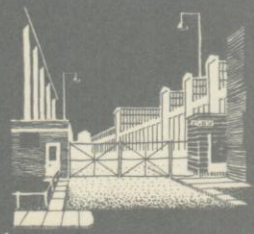
SUMMARY OF CAPITAL ACCOUNTS
(Including Reserves)

Total Forward—January 1, 1947		$19,975,343.73
Additions:		
Total Net Earnings		1,302,470.30
Sale of 50,000 Shares of Common Stock at $25 per Share		1,250,000.00
Total		$22,527,814.03
Deductions:		
Preferred Stock Retired	$ 1,400,000.00	
Dividends Paid on Common Stock	250,000.00	
Amounts Written Off	139,767.01	
Additional Depreciation on Banking Premises	154,000.00	
Extraordinary Expense Incidental to Recapitalization Plan	55,942.49	1,999,709.50
Total—December 31, 1947		$20,528,104.53



COVENTRY Office is at the center of the close-knit suburb of Cleveland Heights, with its 60,000 inhabitants, and adjacent to the main transportation arteries from Forest Hill and the residential communities to the east.





KENMORE Office. "When the smokestacks of factories at old Five Points are smoking, employment in Cleveland is running high." This office is close to the great Cleveland industries where parts and assemblies for automobiles, airplanes and other durable goods are made.

STATEMENT OF EARNINGS

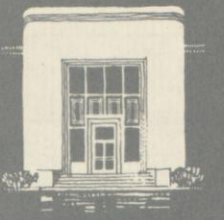
OPERATING INCOME	1947	1946
Interest on Loans (After Amortization)	$3,580,200.76	$2,725,351.57
Interest on U. S. Securities (After Amortization)	2,464,533.38	2,854,969.81
Interest on Other Securities (After Amortization)	68,593.58	83,643.01
	$6,113,327.72	$5,663,964.39
Income from Bank Building Tenants	282,659.86	253,711.27
Trust Department Income	553,504.21	515,985.26
Service Charges	493,757.38	434,219.46
Other Income	199,488.92	171,805.53
TOTAL OPERATING INCOME	$7,642,738.09	$7,039,685.91

OPERATING EXPENSES	1947	1946
Interest on Time Deposits	$ 963,758.98	$ 863,704.67
Salaries, Wages and Contribution to Retirement Plan	2,463,719.70	2,195,518.36
Occupancy Expenses (Including Real Estate Taxes)	622,856.32	585,839.69
Taxes (Other than Real Estate and Federal Income)	496,530.15	495,884.52
Federal Deposit Insurance	256,356.66	247,792.06
Other Expenses	1,066,107.19	995,969.77
TOTAL OPERATING EXPENSES	$5,869,329.00	$5,384,709.07

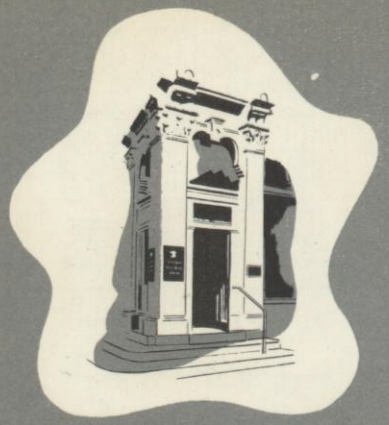
STATEMENT OF EARNINGS

OPERATING EARNINGS BEFORE DIVIDENDS AND INCOME TAX	1947	1946
	$1,773,409.09	$1,654,976.84
Deduct—Provision for Dividend on Preferred Stock	224,950.68	256,956.17
Operating Earnings before Income Tax	$1,548,458.41	$1,398,020.67
Deduct—Provision for Federal Income Tax on Operating Earnings	383,000.00	375,000.00
Net Operating Earnings	$1,165,458.41	$1,023,020.67
Profit on Securities Sold (Net)	10,541.58	675,143.16
Recoveries (Including Interest)	143,470.31	297,193.85
Deduct—Provision for Federal Income Tax on Non-recurring Earnings	17,000.00	170,000.00
Net Non-recurring Earnings	$ 137,011.89	$ 802,337.01
TOTAL NET EARNINGS	$1,302,470.30	$1,825,357.68

DISTRIBUTION OF TOTAL NET EARNINGS	1947	1946
To Reserves	$ 219,633.87	$ 856,489.22
To Undivided Profits and Preferred Stock Retirement Fund	1,082,836.43	968,868.46
TOTAL	$1,302,470.30	$1,825,357.68



SHORE CENTER Office, important part of the city of Euclid's new-type shopping center unit, reflects the rapid growth of that suburb, with its bustling manufacturing, modern homes, and spacious recreation areas. It is now fourth city of Cuyahoga county.



CHARDON Office, located in the seat of neighboring Geauga County, provides complete banking and trust service for individuals and businessmen of the community, and the prosperous farming, dairy and maple syrup enterprises surrounding it.

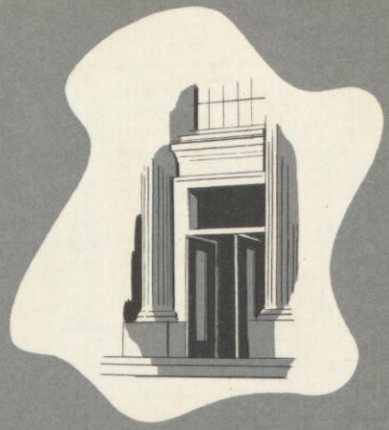
EARNING RATIOS

	1947	1946
EARNINGS ON COMMON STOCK (Per Share)*		
Operating Earnings before Dividends & Income Tax	$ 5.91	$ 6.62
Deduct—Provision for Dividend on Preferred Stock	.75	1.03
Operating Earnings before Income Tax	$ 5.16	$ 5.59
Deduct—Provision for Federal Income Tax on Operating Earnings	1.28	1.50
Net Operating Earnings	$ 3.88	$ 4.09
Profit on Securities Sold (Net)	.04	2.70
Recoveries—Including Interest	.48	1.19
Deduct—Provision for Federal Income Tax on Non-recurring Earnings	.06	.68
Net Non-recurring Earnings	$ .46	$ 3.21
Total Net Earnings	$ 4.34	$ 7.30
Distribution of Total Net Earnings		
To Reserves	$ .73	$ 3.42
To Undivided Profits and Preferred Stock Retirement Fund	3.61	3.88
Total	$ 4.34	$ 7.30
BOOK VALUE PER COMMON SHARE (Including Reserves)*		
Amount—January 1	$46.30	$39.89
Add—Total Net Earnings	4.34	7.30
Total	$50.64	$47.19
Deduct—Dividends Paid on Common Stock	.83	.80
—Amounts Written Off	1.17	.09
—Sale of Additional 50,000 Shares of Common Stock	3.55	—
Amount—December 31	$45.09	$46.30
OPERATING INCOME—PER CENT OF TOTAL		
Interest on Loans (After Amortization)	46.84%	38.71%
Interest on Securities (After Amortization)	33.15	41.74
Income from Bank Building Tenants	3.70	3.60
Trust Department Income	7.24	7.33
Service Charges	6.46	6.18
Other Income	2.61	2.44
Total Operating Income	100.00%	100.00%
Distribution of Operating Income		
Interest Paid on Time Deposits	12.61%	12.27%
Salaries, Wages and Contribution to Retirement Plan	32.24	31.19
Occupancy Expense (Including Real Estate Taxes)	8.15	8.32
Taxes (Other than Real Estate and Federal Income)	6.50	7.04
Federal Deposit Insurance	3.35	3.52
Other Expenses	13.95	14.15
Total Expenses	76.80%	76.49%
Provision for Federal Income Tax on Operating Earnings	5.01	5.33
Net Operating Earnings	18.19	18.18
	100.00%	100.00%
AVERAGE RATE OF EARNINGS PER ANNUM (After Amortization)		
Total Loans (Discounts, Mortgage, Personal, etc.)	3.16%	2.91%
U. S. Securities	1.54	1.39
Other Securities	2.74	2.83
Total Securities	1.56	1.41
Total Loans & Securities	2.22	1.88

*Number of Shares—300,000 in 1947, 250,000 in 1946.

EXPENSE AND BALANCE SHEET RATIOS

OPERATING EXPENSES—PER CENT OF TOTAL	1947	1946
Interest Paid on Time Deposits	16.42%	16.04%
Salaries, Wages and Contribution to Retirement Plan	41.98	40.77
Occupancy Expenses (Including Real Estate Taxes)	10.61	10.88
Taxes (Other than Real Estate and Federal Income)	8.46	9.21
Federal Deposit Insurance	4.37	4.60
Other Expenses	18.16	18.50
Total Expenses	100.00%	100.00%
ASSETS—PER CENT OF TOTAL		
Reserve—Federal Reserve Bank	11.77%	12.07%
Cash and Due from Banks	10.91	10.67
Total Cash and Due from Banks	22.68%	22.74%
Acceptances, Call Loans and Commercial Paper	.78	.46
Loans and Discounts	18.60	18.88
Time Credit Loans	2.99	2.33
Mortgage Loans	8.66	7.62
Total Loans	31.03%	29.29%
U. S. Securities	43.46	44.66
Other Bonds and Securities	.76	.81
Total Securities	44.22%	45.47%
Acceptances and Letters of Credit	1.28	1.68
Banking Premises	.58	.64
Other Assets	.21	.18
Total Assets	100.00%	100.00%
RATIOS TO TOTAL DEPOSITS		
Commercial	50.73%	49.10%
Bank	6.56	7.23
Public Funds—Demand	4.02	4.59
Other Demand Deposits	4.60	3.93
Total Demand Deposits	65.91%	64.85%
Savings Deposits	30.32	30.81
Other Time Deposits	2.78	1.43
Total Time Deposits	33.10%	32.24%
Total Demand and Time Deposits	99.01	97.09
War Loan Deposits	.99	2.91
Total Deposits	100.00%	100.00%



CHAGRIN FALLS Office, the columns of which you observe facing the park at the intersection of Route 422 and Main Street in that city, is part of the bustling business center of a thriving community, famed for its rich farmlands and its lovely suburban homes.

CENTRAL NATIONAL BANK
of Cleveland

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Cleveland, Ohio

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President, The Campbell Coal Co.

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President and Treasurer, The R. J. Wean Engineering Co., Warren, Ohio

C. A. WILKINSON
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MYRON H. WILSON, JR.
Partner—Wilson, McBride & Co.

ALEXANDER T. WOOD
Vice President, The Wilson Transit Co.

L. C. WYKOFF
McKeehan, Merrick, Arter & Stewart and George William Cottrell

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COMMERCIAL BANKING

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DIVISION C

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C. W. CARLSON, *Asst. Vice President* — M. J. HARTMAN, *Asst. Vice President*

DIVISION D

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CONSUMER CREDIT—DIVISION E

J. J. HOLLAND, *Vice President*

FOREIGN DIVISION—DIVISION F

O. L. CARLTON, *Vice President* — J. F. SCHREIER, *Asst. Vice President*

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ESTATES TRUST

A. C. KNIGHT, *Vice President*

J. P. HANCE, *Vice President*
H. A. MINNICH, *Vice President*
R. B. WHITNEY, *Trust Officer*
W. A. HILES, *Vice President*
W. G. STOLL, *Trust Officer*
BRUCE WHIDDEN, *Trust Officer*

CORPORATE TRUST

WARNER C. COLE, *Vice President*
ANTHONY POSS, *Trust Officer*
WILLIAM C. WAY, *Trust Officer*

TAX DEPARTMENT

C. H. BRALEY, *Manager*

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INVESTMENTS

C. M. COLYER, *Vice President*

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SAVINGS DEPARTMENT

W. H. QUAYLE, *Manager*

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A. PAUL THOMPSON, *Cashier*

W. P. ABBOTT, *Vice President* — J. L. CARLSON, *Asst. Cashier* — M. W. MORAN, *Asst. Cashier*

R. C. HUELSMAN, *Comptroller* — A. E. STALEY, *Auditor*

CENTRAL NATIONAL BANK
of Cleveland

BRANCH OFFICES

MAIN OFFICE
308 Euclid Avenue

UNITED OFFICE
2000 West 25th Street

Manager
C. C. BURCHARD

Asst. Cashiers
C. W. DEUTSCH
ALVIN D. HEIL

★

PLAYHOUSE SQUARE
1612 Euclid Avenue

Asst. Vice President
D. A. BERARDI

Asst. Cashier
A. J. MAMPEL

HEADQUARTERS
Time Credit Department
Personal Loan Division
Time Sales Division

★

ROCKEFELLER OFFICE
612 Superior Ave., N. W.

Asst. Cashier
W. G. KIRKWOOD

KENMORE OFFICE
St. Clair Ave. at East 140th St.

Manager
R. S. WILSON

★

DOAN OFFICE
Euclid Ave. at East 101st St.

Asst. Vice President
D. D. SCOTT

★

OUL OFFICE
Broadway at East 55th Street

Asst. Vice President
JOHN H. BONNAR

Asst. Manager
A. A. PENKALSKI

★

COVENTRY OFFICE
Coventry & Lancashire Roads
Cleveland Heights

Asst. Cashier
L. O. BOND

BUCKEYE ROAD OFFICE
Buckeye Road & E. 118th Street

Asst. Cashier
A. M. ROSE

★

LORAIN-WEST 117TH OFFICE
11718 Lorain Avenue

Manager
J. L. GRAF

★

SHORE CENTER OFFICE
22332 Lake Shore Boulevard
Euclid 23, Ohio

Manager
R. C. PALMER

★

CHARDON OFFICE
Chardon, Ohio

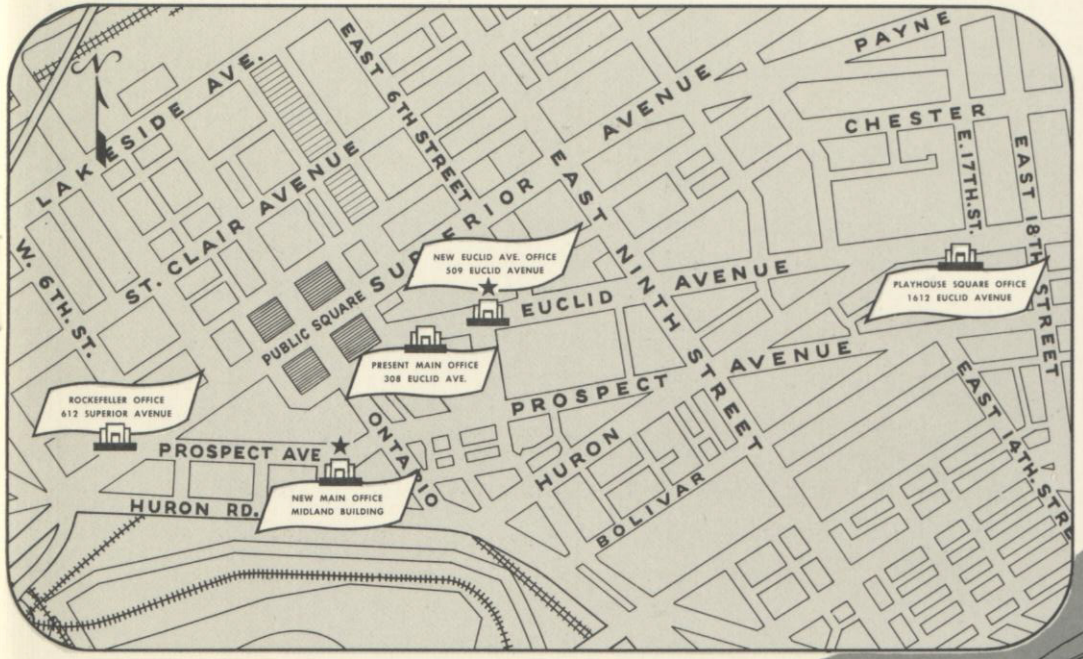
Asst. Cashier
WILSON W. SMITH

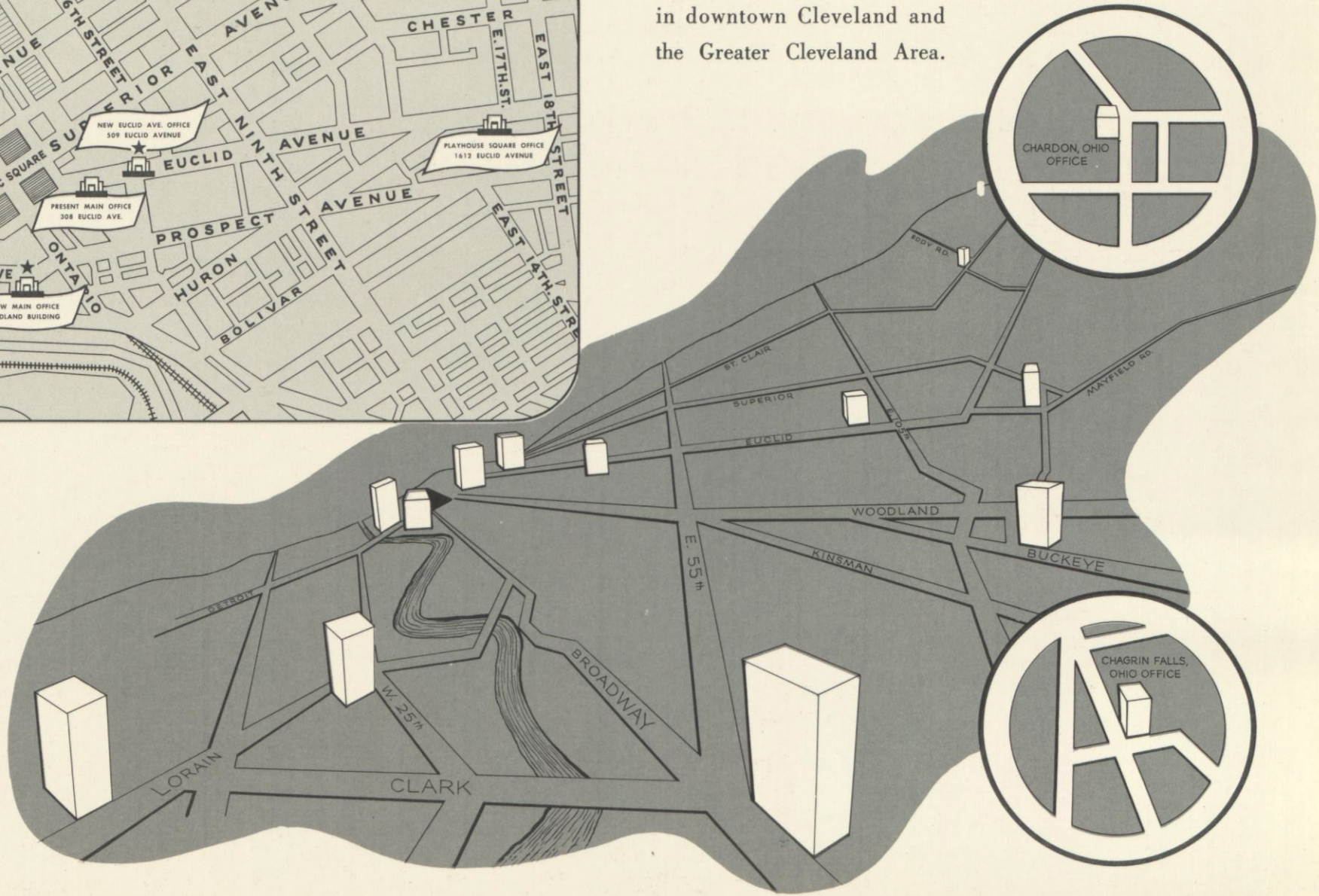
★

CHAGRIN FALLS OFFICE
Chagrin Falls, Ohio

Manager
R. F. SWANDER

Central National Bank offices are conveniently located to provide banking accommodations in downtown Cleveland and the Greater Cleveland Area.





CENTRAL NATIONAL BANK
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